

Inventor(s):

Gross, William

Title:

SYSTEM AND METHOD FOR RANKING ITEMS**POWER OF ATTORNEY**

The specification of the above-identified patent application:

- ☐ is attached hereto  
☒ was filed on January 18, 2001 as application Serial No. 09/765,270

I hereby revoke all previously granted powers of attorney in the above-identified patent application and appoint the following attorneys to prosecute said patent application and to transact all business in the Patent and Trademark Office connected therewith:

James P. Naughton - 30,665  
 John G. Rauch - 37,218  
 John J. King - 35,918  
 Vincent J. Gnoffo - 44,714

Please address all correspondence and telephone calls to James P. Naughton in care of:

Brinks Hofer Gilson & Lione  
 P.O. Box 10395  
 Chicago, IL 60610  
 (312)321-4200

The undersigned hereby authorizes the U.S. attorneys named herein to accept and follow instructions from Chris W. Higgins as to any action to be taken in the Patent and Trademark Office regarding this application without direct communication between the U.S. attorney and the undersigned. In the event of a change in the persons from whom instructions may be taken, the U.S. attorneys named herein will be so notified by the undersigned.

Overture Services, Inc., a Delaware corporation, certifies that it is the assignee of the entire right, title and interest in the patent application identified above by virtue of either:

- ☐ An assignment from the inventor(s) of the patent application identified above, a copy of which is attached hereto.  
 OR  
☐ An assignment from the inventor(s) of the patent application identified above. The assignment was recorded in the Patent and Trademark Office at Reel \_\_\_\_\_, frame \_\_\_\_\_.  
 OR  
☒ A chain of title from the inventor(s), of the patent application identified above, to the current assignee as shown below:

1. From William Gross To: IDEALAB!  
 The document was recorded in the Patent and Trademark Office at Reel 012123, frame 0965, or a copy thereof is attached.
2. From IDEALAB! To: Overture Services, Inc.  
 The document was recorded in the Patent and Trademark Office at Reel \_\_\_\_\_, frame \_\_\_\_\_, or a copy thereof is attached.

☐ Additional documents in the chain of title are listed on a supplemental sheet.

The undersigned has reviewed the assignment or all the documents in the chain of title of the patent application identified above and, to the best of undersigned's knowledge and belief, title is in the assignee identified above.

The undersigned (whose title is supplied below) is empowered to act on behalf of the assignee.

I hereby declare that all statements made herein of my own knowledge are true, and that all statements made on information and belief are believed to be true; and further, that these statements are made with the knowledge that willful false statements, and the like so made, are punishable by fine or imprisonment, or both, under Section 1001, Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patent issuing thereon.

Signature

Date:

12/2/03

Name:

Chris W. Higgins

Title:

Patent Development Counsel**RECEIVED**

DEC 17 2003

**GROUP 3600**

## PURCHASE AGREEMENT

This PURCHASE AGREEMENT is made and entered into as of July 31, 2003, by and between Idealab, a California corporation ("Seller"), and Overture Services, Inc., a Delaware corporation ("Buyer").

### **RECITALS**

Seller is the owner of U.S. Patent Application Serial No. 09/765,270, filed on January 18, 2001 and entitled "System And Method For Ranking Items," which application is related to U.S. Provisional Patent Application No. 60/177,044 filed on January 18, 2000(collectively, the "Applications"); and,

Buyer wishes to purchase the Applications from Seller on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants and representations set forth herein, and for other good and valuable consideration, intending to be legally bound hereby, the parties agree as follows:

### **ARTICLE I**

#### **PURCHASE OF ASSETS**

1. Purchase and Sale. Seller hereby irrevocably sells, conveys, transfers, assigns and delivers to Buyer all right, title and interest (foreign and domestic) in and to the Applications free and clear of all liens, pledges, charges, claims, security interests or other encumbrances of any sort (collectively, "Liens"). Upon execution of this Agreement, Seller shall also deliver to Buyer (i) all invention records associated with the Applications, including all records and files pertaining to the prosecution of such Applications and, to the extent available, the source code identified in Schedule B and related documentation (the "Patent Documents"), (ii) an executed assignment of the Applications pursuant to the Patent Assignment in the form attached hereto as Exhibit A and (iii) authorization permitting Seller's patent counsel to assist Buyer in vesting full title in and to the Applications in Buyer (the "Instructions").

2. No Assumption of Liabilities. Buyer shall not assume any liabilities or obligations of Seller in connection with the transfer of the Applications. Buyer expressly is not assuming any obligations or liabilities, whether accrued, absolute, contingent, matured, unmatured or other, of Seller or any other person or entity.

3. Consideration. As full payment for the transfer of the Applications by Seller to Buyer, Buyer shall pay to Seller upon (i) execution and delivery of this Agreement and the Patent Assignment, and (ii) delivery of the Patent Documents and the Instructions, the amount of Seventy-Six Thousand Dollars (\$76,000) in the form of a wire transfer to Seller in an account specified by Seller.

4. Further Assurances.

(a) Further Cooperation. At Buyer's request, with reasonable notice given, Seller shall execute any further papers and documents and do such other acts as may be reasonably necessary and proper to vest full title in and to the Applications in Buyer. Seller shall assist Buyer, and any successor, in every proper way to secure the Buyer's rights in the Applications in any and all countries, including the disclosure to the Buyer of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which the Buyer shall reasonably deem necessary in order (i) to apply for and obtain such rights and in order to assign and convey to the Buyer, its successors, assigns, and nominees the sole and exclusive right, title and interest in and to the Applications and (ii) to obtain from Seller's counsel transfer to Buyer of all relevant documents and materials related to the Applications. Without limiting the foregoing, at Buyer's request, Seller shall reasonably cooperate with Buyer in the prosecution of the Applications and the enforcement of any and all patents that issue therefrom. Subsequent to the complete transfer of the Applications, Buyer shall be solely responsible for all expenses, fees, awards and damages related to the prosecution, or enforcement of the Applications (unless explicitly stated otherwise in this Agreement or results from a breach of this Agreement by Seller).

(b) Limited Power of Attorney. Seller irrevocably constitutes and appoints Buyer, with full power of substitution, to be its true and lawful attorney, and in its name, place or stead, to execute, acknowledge, swear to and file, all instruments, conveyances, certificates, agreements and other documents, and to take any action which shall be necessary to effectuate the transfer, prosecution or enforcement of the Applications in accordance with the terms of this Agreement; provided, however, that such power shall be exercised by the Buyer only in the event that Seller fails to take the necessary actions required hereunder to affect or record such transfer, prosecution or enforcement of such Applications following Buyer's request, and being given a reasonable opportunity to do so. This power of attorney shall be deemed to be coupled with an interest and shall be irrevocable.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

1. Organization of Seller. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Seller has the corporate power to own its property and to carry on its business as now being conducted.
2. Authority; Consents. Seller has all requisite corporate power and authority to enter into this Agreement, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller and constitutes the valid and binding obligation of Seller, enforceable in accordance with its terms. The execution and delivery of this Agreement by Seller

does not, and, as of the date hereof, the consummation of the transactions contemplated hereby will not, materially conflict with, or result in any material violation of, or material default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any benefit under (i) any provision of the Certificate of Incorporation or Bylaws of Seller (ii) any mortgage, indenture, lease, contract or other agreement or instrument or (iii) any permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Seller or its properties or assets. No consent, waiver, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other federal, state, county, local or foreign governmental authority, instrumentality, agency or commission having jurisdiction over Seller or any third party, is required by or with respect to Seller in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, other than whose absence would not have a material adverse effect on the ability of Seller or Buyer to effectuate the transactions contemplated hereby.

3. No Abandonment. Seller represents and warrants that none of the Applications has been abandoned, except to the extent a provisional patent application has been converted into a regular, non-provisional patent application.

4. No Restrictions on Use. Seller warrants that, to the best of its knowledge, there is no agreement, commitment, judgment, injunction, order or decree binding upon Seller or the Applications which has or could reasonably be expected to have the effect of prohibiting or impairing any use by Buyer of the Applications or otherwise would result in an adverse effect on the Applications or Buyer's interest therein or use thereof.

5. Title; Absence of Liens and Encumbrances.

(a) Seller is the exclusive owner of, and has good and valid title to, the Applications, free and clear of any liens or encumbrances of any nature. Seller has the full right and power to sell, convey, assign, transfer and deliver to Buyer good title to the Applications, free and clear of all liens or encumbrances of any nature. Seller has not granted any license with respect to the Applications to any other person.

(b) Intentionally Omitted.

6. Compliance with Laws. To the extent that noncompliance would have a material adverse effect on the Applications, Seller has not received any notices of violation with respect to, any federal, state or local statute, law or regulation, domestic or foreign.

7. Solvency. The following statements are, and after giving effect to the transfer under this Agreement will be, true and correct:

(c) Seller is not insolvent as such term is used in Section 548 of the Bankruptcy Code and the Uniform Fraudulent Transfers Act as adopted in the State of California and all other applicable fraudulent transfer or fraudulent conveyance laws, statutes, rules or regulations applicable to Seller.

(d) The consideration received by Seller in connection with this Agreement constitutes reasonably equivalent consideration for its entering into the transactions contemplated by this Agreement.

8. Patent Documents. The Patent Documents delivered by Seller to Buyer hereunder represent the Application's records and files of Seller (and its counsel) that are reasonably available of which Seller is aware without extensive search of its archives. If Seller discovers additional Patent Documents (including in its archives) it will promptly forward (at Seller's cost) such Patent Documents to the Buyer. Seller will not knowingly retain copies of any Patent Document.

9. Status of Prosecution.

(a) Intentionally Omitted.

(b) The Applications are the only patents or patent applications claiming priority from the Applications and there are no other patents or patent applications claiming priority from the Applications.

(c) Seller has no foreign applications relating to the Applications.

### ARTICLE III

#### MISCELLANEOUS

1. Release. Each party, on behalf of itself, its affiliates, subsidiaries, partners, prior and existing shareholders, partnerships, unincorporated entities, divisions, representatives, directors, employees, servants, agents, attorneys, accountants, auditors, advisors, administrators, predecessors, successors, insurers and assigns (collectively, the "Releasors"), fully, and forever releases, relinquishes and discharges the other party and each of its affiliates, subsidiaries, partners, prior and existing shareholders, partnerships, unincorporated entities, divisions, and their respective representatives, directors, employees, servants, agents, attorneys, accountants, auditors, advisors, administrators, predecessors, successors, insurers and assigns, in any and all capacities (the "Releasees"), from any and all causes of action in law and equity, claims, surcharges, suits, contracts, debts, obligations, contributions, liens, indemnities, promises, demands, damages, losses, attorneys' fees, other fees, costs, expenses, loss of service, compensation, injuries or liability of any nature, type or description, whether known or unknown, suspected or unsuspected, patent or latent, fixed or contingent, without limitations ("Claims"), that directly or indirectly arise from or relate to, in whole or in part, any act, omission, event, transaction, communication or any other matter related to, arising out of or in connection with the Applications, including without limitation any breach of any commitment or duty under applicable law relating to the Applications, arising prior to the date of this Agreement (the "Released Claims"). Each party represents and warrants that: (i) it has not assigned, transferred, conveyed or otherwise disposed of any Released Claims, or any direct or indirect interest in any such Released Claim, in whole or in part and (ii) to the best of its knowledge, no other person or entity has any interest in the Released Claims. Each party agrees, for itself and for each of the Releasors, not to initiate any action, suit, proceeding, dispute or litigation against any of the Releasees with respect to the Released Claims.

It is the intention of the Seller and Buyer that the performance of the obligations contained in this agreement shall be effective as a full and final accord, satisfaction, and agreement as to the Released Claims. In furtherance of this intention, as to the matters set forth herein, each party expressly waives and relinquishes, to the fullest extent permitted by applicable law, all provisions, rights and benefits of California Civil Code section 1542, which states as follows:

**“A GENERAL RELEASE AGREEMENT DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”**

Each party also expressly waives and relinquishes, to the fullest extent permitted by applicable law, the provisions, rights and benefits conferred by any law of any state, territory, or commonwealth of the United States, or principle of common law, or of international or foreign law, which is similar, comparable or equivalent to California Civil Code section 1542.

2. Confidentiality. Each of the parties hereto hereby agrees to keep the terms of this Agreement (except to the extent contemplated hereby) confidential, except as is necessary to comply with securities laws or requirements of the U.S. Patent & Trademark Office. Notwithstanding the foregoing, each Party may disclose the terms and conditions of this Agreement: (i) as required by any Governmental Entity; (ii) as otherwise required by law; (iii) to legal counsel of the Parties; (iv) in connection with the requirements of an initial public offering or securities filing; (v) in confidence, to accountants, banks, and financing sources and their advisors; or (vi) in confidence, in connection with the enforcement of this Agreement or rights under this Agreement. On the Effective Date, any and all confidential information of Seller with respect to the Applications shall be deemed confidential information of Purchaser and shall not be used or disclosed to third parties by Seller for any purpose whatsoever.

3. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

4. Entire Agreement. This Agreement and the documents and instruments and other agreements specifically referred to herein or delivered pursuant hereto, including the Exhibit and the Schedule, constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

5. Severability. In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or

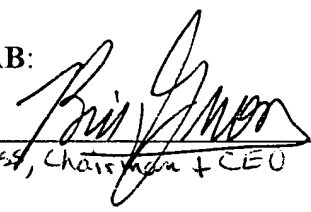
unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California regardless of the laws that might otherwise govern under applicable principles of conflicts of law.

6. Rules of Construction. The parties agree that they have been represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed and delivered, all as of the date first written above.

IDEALAB:

  
Bill Gross, Chairman & CEO

OVERTURE SERVICES, INC.

By: 

Name: Leonard R. Stein

Title: Chief Legal Officer

## SCHEDULE 1

### THE APPLICATIONS

1. U.S. Patent Application entitled  
System and Method For Ranking Items  
Application No.: 09/765,270  
Filing Date: January 18, 2001  
Inventor: William Gross
2. U.S. Provisional Patent Application entitled

System and Method For Ranking Items  
Application No. 60/177,044  
Filing Date: January 18, 2000  
Inventor: William Gross

3. All other U.S. and foreign patent applications corresponding to the applications identified in (1) and (2) above.



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**EXHIBIT A**

## PATENT ASSIGNMENT

THIS PATENT ASSIGNMENT ("Assignment") is made and entered into as of July 31, 2003, ("Effective Date"), by and between Idealab ("Assignor"), and Overture Services, Inc., a Delaware corporation, with its principal office at 74 North Pasadena Avenue, 3rd Floor, Pasadena, California 91103 ("Assignee").

**WHEREAS**, Assignor and Assignee have entered into a Purchase Agreement, dated as of the Effective Date, pursuant to which Assignor has agreed to assign to Assignee the United States patent applications (the "Applications") identified and set forth on Schedule A; and

**WHEREAS**, pursuant to the Purchase Agreement, Assignee wishes to acquire and Assignor wishes to assign its entire right, title and interest in and to the Applications and the inventions covered thereby.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby sell, assign, transfer and set over to Assignee, its entire right, title and interest in and to the Applications, for the United States and for all foreign countries, including any continuations, divisions, continuations in part, reissues, reexaminations or extensions or foreign equivalents thereof, and including the subject matter of all claims which may be obtained there from for Assignee's own use and enjoyment and for the use and enjoyment of Assignee's successors, assigns or other legal representatives, as fully and entirely as the same would have been held and enjoyed by Assignor if this Assignment and sale had not been made; together with all income, royalties, damages or payments due or payable as of the day after the Effective Date or thereafter, including, without limitation, all claims for damages by reason of past, present or future infringement or other unauthorized use of the Applications, with the right to sue for and collect the same for Assignee's own use and enjoyment, and for the use and enjoyment of its successors, assigns, or other legal representatives.

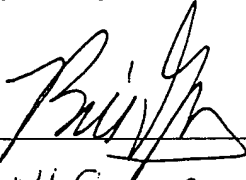
Assignor authorizes and requests the Commissioner of Patents and Trademarks and the appropriate foreign authorities to record Assignee as the assignee and owner of the Applications in the appropriate countries, including any continuations, divisions, continuations-in-part, reissues, reexaminations or extensions thereof, and to issue any and all letters patent thereon to Assignee, as assignee of the entire right, title and interest in, to and under the same, for the sole use and enjoyment of Assignee, its successors, assigns or other legal representatives.

Assignor agrees to execute and deliver at the request of Assignee, its successors, assigns or other legal representatives, all papers and instruments prepared by Assignee at Assignee's expense, and to perform at Assignee's expense any other reasonable acts required in order to vest all Assignor's rights, title and interest in and to the Applications in Assignee, its successors, assigns or other legal representatives.

This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN TESTIMONY WHEREOF, the Assignor has caused this Assignment to be signed and executed this 31st day of July, 2003.

Idealab:

By: 

Name: Bill Gross

Title: Chairman + CEO

**ACKNOWLEDGMENT**

State of California       )  
                                      )ss:

County of Los Angeles

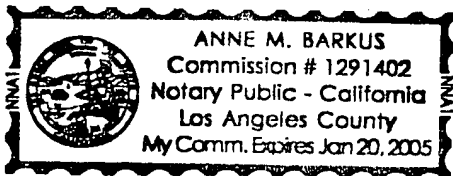
On this 6th day of November 2003, before me, the undersigned, personally appeared Bill Gross, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed this instrument on behalf of the corporation named herein, and acknowledged that s/he executed it in such representative capacity.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public

My Commission Expires on 1/20/05



**SCHEDULE A**  
**US Patent Applications**

<b><u>Application No.</u></b>	<b><u>Title</u></b>	<b><u>Filing Date</u></b>
09/765,270	System And Method For Ranking Items	January 18, 2001
60/177,044	System And Method For Ranking Items	January 18, 2000

SCHEDULE B  
SOFTWARE CODE